

Larry C. Apple, CPA

Financial Administrator for:

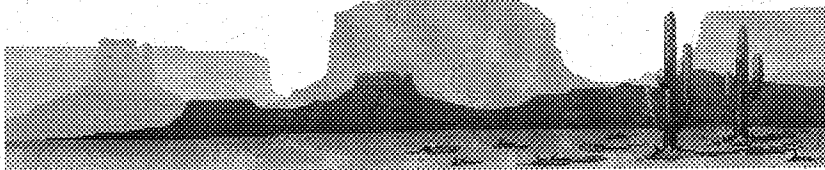
The Cropper Trust

Secretary-Treasurer for:

Red Emerald, Inc.

Sugarville Cubing Co., Inc

4990 Paradise Road, Ste. 106, Las Vegas, NV 89119-1235; Phone: 702-798-7414; Fax 702-798-7419; E-Mail: lcalv@aol.com



February 5, 2003

S/001/058

D. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program,
Utah Dept. of Natural Resources
Division of Oil, Gas and Mining
PO Box 145801
Salt Lake City, UT 84114-5801
(Copy via Fax: 801-359-3940)

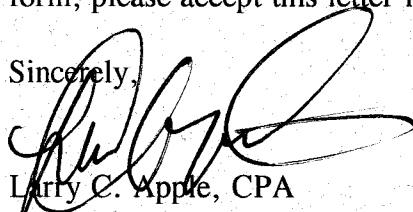
Dear Mr. Hedberg,

I'm responding to your letter of December 23, 2002 in which you requested an Annual Report pursuant to Rules R647-3-116 and R647-4-121 of the Amended New Rules, Mineral Reclamation Program, in regard to Red Emerald Mine (File # S010058).

Please be advised, Red Emerald, Inc. has yet to conduct any mining operations at the corporation's mine site. We just today, submitted an amended plan of operations in compliance with the BLM's request for same as communicated to us by Ed Ginouves and Tom Munson. Also, we've received bond forms from Opie Abeyta and are in process of posting the required \$24,300 bond.

As we have not commenced mining operations and our mining plan is just now being approved in final form, please accept this letter in lieu of an annual report of mining operations.

Sincerely,


Larry C. Apple, CPA
Secretary-Treasurer
Red Emerald, Inc.

CC: Ed Ginouves, BLM-Cedar City, UT
Tom Munson, Utah DOGM
Clint Christensen, Construction and Mining Services, Inc.
Don Petersen, Esq.
Marlow Cropper
Ed Harris
Earle Foster

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